

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 4316-02  
BILL NO.: HB 1938  
SUBJECT: Elderly; Revenue Dept.; Taxation and Revenue-General-Income  
TYPE: Original  
DATE: February 28, 2000

---

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$11,000,000)	(\$11,000,000)	(\$11,000,000)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$11,000,000)</b>	<b>(\$11,000,000)</b>	<b>(\$11,000,000)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

---

**FISCAL ANALYSIS**

---

**ASSUMPTION**

Officials of the **Department of Revenue (DOR)** state this legislation excludes from the definition of household income when figuring the property tax credit any social security, railroad retirement or teachers retirement benefits.

The Department assumes there will be an increase in property tax credit returns and will need one Tax Processing Tech I for every 67,000 additional credits received.

**Oversight** assumes, for purposes of this fiscal note, that the number of additional property tax credit returns filed would be minimal and that the Department of Revenue could handle the provisions of this proposal with current resources.

**University of Missouri Research Center** states their estimate is based on 1998 income tax data. University staff estimates the loss to General Revenue to be \$11 million in 2001.

Officials of the **Office of Administration (COA)** state that they would concur with the estimate provided by the University of Missouri Research Center.

**This proposal would result in a decrease in Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
---	---------------------	---------	---------

**GENERAL REVENUE FUND**

Loss to General Revenue Fund

Increase in Circuit Breaker tax credits	(\$11,000,000)	(\$11,000,000)	(\$11,000,000)
---	----------------	----------------	----------------

**ESTIMATED NET EFFECT ON  
GENERAL REVENUE FUND**

	<u><b>(\$11,000,000)</b></u>	<u><b>(\$11,000,000)</b></u>	<u><b>(\$11,000,000)</b></u>
--	------------------------------	------------------------------	------------------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
---	---------------------	---------	---------

	\$0	\$0	\$0
--	-----	-----	-----

L.R. NO. 4316-02  
BILL NO. HB 1938  
PAGE 3 OF 3  
February 28, 2000

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill expands the income qualifications for eligibility for the senior citizens/disabled persons property tax credit, commonly known as circuit breaker. Taxpayers will be allowed to deduct from eligible income 100% of any social security benefits, railroad retirement benefits, and public school retirement benefits received during the tax year. The bill will apply to tax year 2000 and thereafter.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Office of Administration  
University of Missouri Research Center

A handwritten signature in black ink, appearing to read "Jeanne Jarrett".

Jeanne Jarrett, CPA  
Director  
February 28, 2000